



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

March 1, 2012

The Honorable Luis G. Fortuño
Office of the Governor
La Fortaleza
San Juan, PR 00901

Dear Governor Fortuño:

During the week of November 15, 2010, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education (the Department) conducted the first of two monitoring reviews of Puerto Rico's implementation of the SFSF program. Puerto Rico's SFSF contacts were extremely helpful in coordinating and responding to this review.

During the monitoring review, we discussed Puerto Rico's policies, procedures, and activities related to the SFSF program. We spoke with officials to gain an understanding of how Puerto Rico used its Education Stabilization Fund grant to support elementary, secondary, and postsecondary education. We also spoke with representatives of entities that received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at www.ed.gov/programs/statestabilization/applicant.html.

The Department found that Puerto Rico implemented the program expeditiously and effectively in order to meet the financial needs of LEAs and other governmental agencies. This report demonstrates Puerto Rico's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency.

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

The Department identified two issues regarding the fiscal oversight of funds. First, the SFSF Memorandum of Understanding (MOU) between the Office of the Governor of Puerto Rico and the Puerto Rico Department of Education (which is the SEA and the LEA) signed in July 2009, did not include the required General Education Provisions Act (GEPA) assurances. The Office of the Governor of Puerto Rico demonstrated that the MOU included language which incorporated an obligation to comply with applicable Federal laws, including the GEPA assurances. Second, Puerto Rico may have used SFSF funds prior to February 17, 2009, the beginning of the period of availability of the funds. Since the monitoring review, Puerto Rico has provided documentation demonstrating that SFSF funds were used only for allowable activities during the period of availability. Because Puerto Rico has taken the actions noted above, there are no outstanding issues for Puerto Rico to resolve.

The Department is grateful for the cooperation and responsiveness of the staff in Puerto Rico. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

We will be contacting your office in the future to schedule the second monitoring review of Puerto Rico's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Puerto Rico who are working on this critical educational initiative.

Sincerely,

//s//

Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit